NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

Salinas Balderas

PAID UP OIL AND GAS LEASE (No Surface Use)

asimple person

_, 2009, by and between

___day of ___March

12

whose addresss is 5174 Nolan Street, Fart W	Jost N. Texas 14119 as Lesson
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texa hereinabove named as Lessee, but all other provisions (including the completion of blank spa	
 In consideration of a cash bonus in hand paid and the covenants herein contail described land, hereinafter called leased premises: 	ned, Lessor hereby grants, leases and lets exclusively to Lessee the following
described faild, Herbitatter Caliba leased profflises.	
. 943 ACRES OF LAND, MORE OR LESS, BEING LOT(S)	7 , BLOCK3
OUT OF THE Derry (1654)	ADDITION, AN ADDITION TO THE CITY O
Fort Worth TARRANT COUNTY, 1	TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDE
IN VOLUME 388-X PAGE 87 OF T	HE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing gross acres, more reversion, prescription or otherwise), for the purpose of exploring for, developing, producing substances produced in association therewith (including geophysical/seismic operations), commercial gases, as well as hydrocarbon gases. In addition to the above-described lease land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described lease of determining the amount of any shut-in royalties hereunder, the number of gross acres above	The term "gas" as used herein includes helium, carbon dioxide and oth ed premises, this lease also covers accretions and any small strips or parcels cribed leased premises, and, in consideration of the aforementioned cash bonu a more complete or accurate description of the land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a prin	mary term of Five (5) years from the date hereof, and f
as long thereafter as oil or gas or other substances covered hereby are produced in paying of otherwise maintained in effect pursuant to the provisions hereof.	uantities from the leased premises or from lands pooled therewith or this lease
3. Royalties on oil, gas and other substances produced and saved hereunder shall be	e paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbor
separated at Lessee's separator facilities, the royalty shall be	(ガケ) of such production, to be delivered at Lessee's option
the wellhead market price then prevailing in the same field (or if there is no such price the	en prevailing in the same field, then in the nearest field in which there is such
prevailing price) for production of similar grade and gravity; (b) for gas (including casing the proceeds realized by Lessee from (1)5) of the proceeds realized by Lessee from (1)5	ng head gas) and all other substances covered hereby, the royalty shall t
severance, or other excise taxes and the costs incurred by Lessee in delivering, processing	or otherwise marketing such gas or other substances, provided that Lessee sha
have the continuing right to purchase such production at the prevailing wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing	paid for production of similar quality in the same field (or if there is no such prior
nearest preceding date as the date on which Lessee commences its purchases hereunder; a	ind (c) if at the end of the primary term or any time thereafter one or more wells o
the leased premises or lands pooled therewith are capable of either producing oil or gas or o hydraulic fracture stimulation, but such well or wells are either shut-in or production there from	ther substances covered hereby in paying quantities or such wells are waiting o
be producing in paying quantities for the purpose of maintaining this lease. If for a period of	90 consecutive days such well or wells are shut-in or production there from is no
being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then cover depository designated below, on or before the end of said 90-day period and thereafter on or	ried by this lease, such payment to be made to Lessor or to Lessor's credit in the
are shuf-in or production there from is not being sold by Lessee; provided that if this least	e is otherwise being maintained by operations, or if production is being sold be
Lessee from another well or wells on the leased premises or lands pooled therewith, no shut- of such operations or production. Lessee's failure to properly pay shut-in royalty shall render	in royalty shall be due until the end of the 90-day period next following cessation
 All shut-in royalty payments under this lease shall be paid or tendered to Lessor or 	to Lessor's credit in at lessor's address above or its successors, which sha
be Lessor's depository agent for receiving payments regardless of changes in the ownership draft and such payments or tenders to Lessor or to the depository by deposit in the US Mail:	of said land. All payments or tenders may be made in currency, or by check or to in a stamped envelope addressed to the depository or to the Lessor at the la
address known to Lessee shall constitute proper payment. If the depository should liquidate	or be succeeded by another institution, or for any reason fail or refuse to acce
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapa	instrument naming another institution as depository agent to receive payments.
premises or lands pooled therewith, or if all production (whether or not in paying quantitie	is) permanently ceases from any cause, including a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, to nevertheless remain in force if Lessee commences operations for reworking an existing well	hen in the event this lease is not otherwise being maintained in force it sha for for drilling an additional well or for otherwise obtaining or restoring production
on the leased premises or lands pooled therewith within 90 days after completion of operatio	hs on such dry hole or within 90 days after such cessation of all production. If
the end of the primary term, or at any time thereafter, this lease is not otherwise being ma operations reasonably calculated to obtain or restore production therefrom, this lease shall re	
no cessation of more than 90 consecutive days, and if any such operations result in the pro-	dduction of oil or gas or other substances covered hereby, as long thereafter a
there is production in paying quantities from the leased premises or lands pooled therewith. Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a	Reasonably prudent operator would drill under the same or similar circumstance
to (a) develop the leased premises as to formations then capable of producing in paying qualitation leased premises from uncompensated drainage by any well or wells located on other lands re-	uantities on the leased premises or lands pooled therewith, or (b) to protect the
additional wells except as expressly provided herein.	
Lessee shall have the right but not the obligation to pool all or any part of the leas depths or zones, and as to any or all substances covered by this lease, either before or all	ed premises or interest therein with any other lands or interests, as to any or a
proper to do so in order to prudently develop or operate the leased premises, whether or not	similar pooling authority exists with respect to such other lands or interests. The
unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%;	
completion to conform to any well spacing or density pattern that may be prescribed or perm	litted by any governmental authority having jurisdiction to do so. For the purpos
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by a prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet p	
feet or more per barrel, based on 24-hour production test conducted under normal produ	ucing conditions using standard lease separator facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal equipment; and the term "horizontal completion" means an oil well in which the horizontal of	
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a	written declaration describing the unit and stating the effective date of pooling
Production, drilling or reworking operations anywhere on a unit which includes all or any preworking operations on the leased premises, except that the production on which Lesson's	
net acreage covered by this lease and included in the unit bears to the total gross acreage	e in the unit, but only to the extent such proportion of unit production is sold i
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereund unit formed hereunder by expansion or contraction or both, either before or after commend.	cement of production, in order to conform to the well spacing or density patter
prescribed or permitted by the governmental authority having jurisdiction, or to conform to a making such a revision, Lessee shall file of record a written declaration describing the revise	
leased premises is included in or excluded from the unit by virtue of such revision, the propo	ortion of unit production on which royalties are payable hereunder shall thereaft
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon a written declaration describing the unit and stating the date of termination. Pooling hereunder	
If Lessor owns less than the full mineral estate in all or any part of the leased premis	ses, the royalties and shut-in royalties payable hereunder for any well on any pa
of the leased premises or lands pooled therewith shall be reduced to the proportion that Less such part of the leased premises.	ஞ்r's interest in such part of the leased premises bears to the full mineral estate

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks water wells, disposal wells, injection wells, and the construction and use of roads, canals, pipelines. reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during the term of this lease or within a reasonable time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the dirilling and production of wells, and the pride of oil, gas, and other substances covered hereby. When drilling, reworking, production or other o

water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's

obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litination shall be initiated by Lessor with respect to any breach or default by Lessee because of such productions.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessoe hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)		
Martha Salmas Balderas By: Martha Salmas Balderas		By:
	ACKNOWLEDG	SMENT
STATE OF <u>FC KAS</u> COUNTY OF <u>TAILE</u> This instrument was acknowledged before me, on the by: MALLA SALITUAS BALLUAS	12 day of	March ,2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011		Notary Public, State of TX Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of	, 2009,
	30° 24.	Notary Public, State of

Notary's name (printed): Notary's commission expires



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

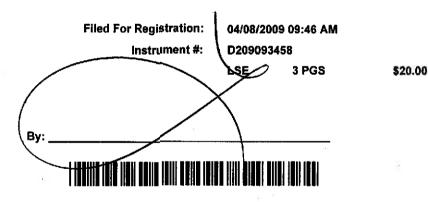
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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